

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AGRE-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-01 INR-07 NSAE-00 SP-02 STR-04
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FM USMISSION EC BRUSSELS
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USEEL MTN GENEVA
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UNCLAS EC BRUSSELS 2021

PASS AGRICULTURE ELECTRONICALLY

E.O. 11652:N/A
TAGS:EAGR,EEC
SUBJECT: EC SALES OF NFDN FOR FEED USE

REF: A EC BRUSSELS 1751,(76 EC BRUSSELS 98, C 76 EC A-13,
D 76 EC A-38

1.SUMMAR: THE COMMISSION HAS OPENED A " STANDING TENDER" FOR
THE SALE OF NFM FOR USE IN PIG AND POULTRY FEED.NEARLY
260,000 TONS OF NFDN ARE COVERED BY THIS TENDER.BASED ON
OFFER PRICES SUBMITTED BY TENDERERS,THE COMMISSION WILL REGULARLY
FIX A MINIMUM PRICE FOR THE SALE OF THIS NFDN.THE FIRST CLOSING DATE
FOR THE SUBMISSION OF TENDERS IS MARCH 8. EC INTERVENTION STOCKS
NOW TOTAL 957,000 TONS BUT ARE EXPECTED TO START GROWING AGAIN.
END SUMMARY.

2.COMMISSION REGULATION NO 368/77 (OFFICIAL JOURNAL NO L 52
OF FEBRUARY 24, 1977) ESTABLISHES A "STANDING TENDER" FOR THE
SALE OF NFDN TAKEN INTO STORAGE BEFORE JANUARY 1, 1976 FOR USE IN
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PIG OR POULTRY FEED.THE STOCKS ARE TO BE SOLD AT REDUCED
PRICES COMPETITIVE WITH OILSEED MEALS AND OTHER PROTEIN
FEEDS THROUGH TENDERS ARRANGED BY INTERVENTION AGENCIES.
AS INDICATED IN REFA,THE FIRST CLOSING DATE FOR THE
SUBMISSION OF TENDERS WILL BE MARCH 8, 1977; THEREAFTER,THE
TIME LIMIT FOR THE SUBMISSION OF TENDERS WILL BE THE SECOND
TUESDAY OF EACH MONTH.

3.THE CONDITIONS OF THE TENDER ARE SIMILAR TO THOSE ESTABLISHED IN REGULATION NO. 3354/75 (REFS.B AND C)WHICH ALSO PROVIDED FOR THE SALE OF NFDM FOR PIG AND POULTRY FEED. THE TENDERER MUST UNDERTAKE TO DENATURE THE NFDM IN A PRESCRIBED MANNER OR INCORPORATE IT DIRECTLY INTO PIG OR POULTRY FEED. THE PURCHASE BID MUST BE ACCOMPANIED BY A SURETY OF 15 U.A/TON AND EACH TENDER MUST BE FOR AT LEAST 20 TONS.IN APPLYING FOR PURCHASE,THE TENDERER MUST INDICATE BOTH HIS OFFER PRICE AND THE QUANTITY HE WISHES TO PURCHASE.ON THE BASIS OF THESE OFFER PRICES,THE COMMISSION WILL EITHER FIX A MINIMUM SELLING PRICE OR DECIDE TO MAKE NO AWARD.CONTRACTS WILL BE AWARDED TO THE TENDERERS OFFERING THE HIGHEST PRICES ABOVE THE MINIMUM PRICE. IF A MINIMUM SELLING PRICE IS FIXED,THE COMMISSION MUST ALSO FIX A PROCESSING SECURITY WHICH WILL BE REFUNDED TO THE TENDERER UPON PROOF OF DENATURING OR INCORPORATION; THIS SECURITY IS TO BE BASED ON THE DIFFERENCE BETWEEN THE EC MARKET PRICE OF NFDM AND THE MINIMUM PRICE FIXED.THE SUCCESSFUL TENDERER MUST TAKE DELIVERY OF THE NFDM WITHIN 45 DAYS OF NOTIFICATION OF THE RESULT OF THE TENDER.DENATURING OR DIRECT INCORPORATION OF THE NFDM MUST TAKE PLACE WITHIN 4 MONTHS FROM THE DAY OF DELIVERY.

4.THE BASIS FOR BOTH THE NEW REGULATION AND COMMISSION REGULATION NO 3354/75 IS COUNCIL REGULATION NO. 1285/70 (REF.C)WHICH AUTHORIZES THE COMMISSION TO ARRANGE FOR THE SALE OF NFDM AT REDUCED PRICES FOR USE IN PIG AND POULTRY FEED.UNDER REGULATION NO. 3354/75,NEARLY 27,000 TONS OF NFDM WERE OFFERED FOR SALE; ACTUAL SALES WERE REPORTED TO BE UNCLASSIFIED

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LESS THAN 5,000 TONS (REF.D).UNDER THE NEW REGULATION, ABOUT 260,000 TONS ARE OFFERED FOR SALE.WE HAVE NOT AS YET GOTTEN A CLEAR READING FROM COMMISSION OFFICIALS AS TO HOW MUCH THEY EXPECT TO SELL UNDER THIS REGULATION.THE QUANTITIES OFFERED FOR SALE AND THEIR SPECIFIC LOCATIONS ARE LISTED IN THE NOTICE OF INVITATION TO TENDER WHICH APPEARS IN OFFICIAL JOURNAL NO. C 47 OF FEBRUARY 24, 1977.THE QUANTITIES OFFERED ARE BROKEN DOWN BY COUNTRY AS FOLLOWS:

	1,000 TONS
BELGIUM/LUXEMBOURG	15.3
DENMARK	1.6
GERMANY	199.4
FRANCE	20.0
THE NETHERLANDS	22.9
IRELAND,ITALY,UK	0

5.COPIES OF COMMISSION REGULATION NO. 368/77 AND OF THE NOTICE OF INVITATION TO TENDER APPEARING IN OFFICIAL JOURNAL C 47 ARE BEING TRANSMITTED BY AIRGRAM.

6.EC INTERVENTION STOCKS OF NFDM NOW TOTAL 957,000 TONS
DOWN SIGNIFICANTLY FROM THEIR PEAK OF MORE THAN 1.3 MILLION
TONS IN SEPTEMBER 1976.THIS REDUCTION HAS BEEN EFFECTED
THROUGH SALES UNDER THE COMPULSORY PURCHASE SCHEME AND THE
RELATED SUBSIDY PROGRAM,FOOD AID SHIPMENTS,AND SPECIALLY
SUBSIDIZED EXPORTS FOR FEED USE (ESTIMATED AT 166,000 SINCE
AUGUST 1976).HOWEVER,THE CURRENT STOCK FIGURE IS CONSIDERED
A SEASONAL LOW AND STOCKS ARE EXPECTED TO GROW WITH THE SPRING
SURGE IN MILK PRODUCTION..
HINTO,

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Message Attributes

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